

Adopted

Rejected

MINORITY COMMITTEE REPORT

MR. SPEAKER:

*A minority of your Committee on Ways and Means, which met on January 7, 2004, to consider House Bill 1003, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

1 Page 2, line 9, after "section," delete ""total" and insert
2 **""qualified".**

3 Page 2, line 9, after "means" delete "total" and insert **"the first five**
4 **hundred (500) acres of agricultural land owned by a farm owner."**

5 Page 2, delete lines 10 through 11.

6 Page 2, line 13, delete "." and insert **"or farms. Subject to**
7 **subsection (f), the amount of the deduction is twenty percent**
8 **(20%) of the assessed valuation of the farmland acreage in the**
9 **farm or farms."**

10 Page 2, line 13, delete "is" and insert **"may claim a deduction**
11 **under this section in multiple counties if the farm owner owns**

1 **more than five hundred (500) acres of farmland but less than five**
 2 **hundred (500) acres in any one (1) county."**

3 Page 2, delete lines 14 through 16.

4 Page 2, line 17, delete "amount of the" and insert "**total amount of**
 5 **a farm owner's**".

6 Page 2, line 17, delete "the lesser".

7 Page 2, delete lines 18 through 20.

8 Page 2, line 21, delete "(2) Twenty" and insert "**twenty**".

9 Page 2, run in lines 17 and 21.

10 Page 2, line 22, delete "total" and insert "**farm owner's qualified**".

11 Page 2, line 22, delete "farm" and insert "**farm or farms**".

12 Page 2, line 23, delete "the" and insert "**a**".

13 Page 2, line 30, delete "and".

14 Page 2, between lines 32 and 33, begin a new line block indented
 15 and insert:

16 **"(3) reporting the total number of acres of the farm owner's**
 17 **qualified farmland acreage that is located in the county; and**
 18 **(4) reporting the total number of acres of the farm owner's**
 19 **qualified farmland acreage for which the farm owner is**
 20 **claiming a deduction under this section in another county;"**.

21 Page 2, line 33, after "auditor of" delete "the" and insert "**each**".

22 Page 2, line 33, delete "agricultural" and insert "**farm owner's**
 23 **qualified farmland acreage**".

24 Page 2, line 34, delete "land".

25 Page 2, line 39, delete "." and insert "**for that part of the farm**
 26 **owner's qualified farmland acreage that is located in the county.**".

27 Page 4, between lines 3 and 4, begin a new paragraph and insert:

28 "SECTION 2. IC 6-1.1-21-3, AS AMENDED BY
 29 P.L.192-2002(ss), SECTION 40, IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The
 31 department, with the assistance of the auditor of state and the
 32 department of local government finance, shall determine an amount
 33 equal to the eligible property tax replacement amount, which is the
 34 estimated property tax replacement.

35 (b) The department of local government finance shall certify to the
 36 department the amount of:

(1) property tax deduction replacement credits provided under IC 6-1.1-21.9 that are allowed by the county for the particular calendar year; and

(2) homestead credits provided under IC 6-1.1-20.9 which are allowed by the county for the particular calendar year.

(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter, the department of local government finance shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Estimate that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the estimated property tax replacement amount attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(d) The sum of the amounts determined under subsections (a) through (c) is the particular county's estimated distribution for the calendar year.

SECTION 3. IC 6-1.1-21-4, AS AMENDED BY P.L.245-2003, SECTION 19, AND AS AMENDED BY P.L.264-2003, SECTION 12, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year;

1 plus

2 (3) an amount for each county that has one (1) or more taxing
3 districts that contain all or part of an economic development
4 district that meets the requirements of section 5.5 of this chapter.
5 This amount is the sum of the amounts determined under the
6 following STEPS for all taxing districts in the county that contain
7 all or part of an economic development district:

8 STEP ONE: Determine that part of the sum of the amounts
9 under section 2(g)(1)(A) and 2(g)(2) of this chapter that is
10 attributable to the taxing district.

11 STEP TWO: Divide:

12 (A) that part of the subdivision (1) amount that is
13 attributable to the taxing district; by

14 (B) the STEP ONE sum.

15 STEP THREE: Multiply:

16 (A) the STEP TWO quotient; times

17 (B) the taxes levied in the taxing district that are
18 allocated to a special fund under IC 6-1.1-39-5; **plus**

19 **(4) the total amount of property tax deduction replacement**
20 **credits that are provided under IC 6-1.1-21.9 and allowed by**
21 **each county for that year.**

22 (b) Except as provided in subsection (e), between March 1 and
23 August 31 of each year, the department shall distribute to each county
24 treasurer from the property tax replacement fund one-half (1/2) of the
25 estimated distribution for that year for the county. Between September
26 1 and December 15 of that year, the department shall distribute to each
27 county treasurer from the property tax replacement fund the remaining
28 one-half (1/2) of each estimated distribution for that year. The amount
29 of the distribution for each of these periods shall be according to a
30 schedule determined by the property tax replacement fund board under
31 section 10 of this chapter. The estimated distribution for each county
32 may be adjusted from time to time by the department to reflect any
33 changes in the total county tax levy upon which the estimated
34 distribution is based.

35 (c) On or before December 31 of each year or as soon thereafter
36 as possible, the department shall make a final determination of the
37 amount which should be distributed from the property tax replacement

1 fund to each county for that calendar year. This determination shall be
 2 known as the final determination of distribution. The department shall
 3 distribute to the county treasurer or receive back from the county
 4 treasurer any deficit or excess, as the case may be, between the sum of
 5 the distributions made for that calendar year based on the estimated
 6 distribution and the final determination of distribution. The final
 7 determination of distribution shall be based on the auditor's abstract filed
 8 with the auditor of state, adjusted for postabstract adjustments included
 9 in the December settlement sheet for the year, and such additional
 10 information as the department may require.

11 (d) All distributions provided for in this section shall be made on
 12 warrants issued by the auditor of state drawn on the treasurer of state.
 13 If the amounts allocated by the department from the property tax
 14 replacement fund exceed in the aggregate the balance of money in the
 15 fund, then the amount of the deficiency shall be transferred from the
 16 state general fund to the property tax replacement fund, and the auditor
 17 of state shall issue a warrant to the treasurer of state ordering the
 18 payment of that amount. However, any amount transferred under this
 19 section from the general fund to the property tax replacement fund
 20 shall, as soon as funds are available in the property tax replacement
 21 fund, be retransferred from the property tax replacement fund to the
 22 state general fund, and the auditor of state shall issue a warrant to the
 23 treasurer of state ordering the replacement of that amount.

24 (e) Except as provided in subsection (i), the department shall not
 25 distribute under subsection (b) and section 10 of this chapter the money
 26 attributable to the county's property reassessment fund if:

27 (1) by the date the distribution is scheduled to be made, ~~(1)~~ the
 28 county auditor has not sent a certified statement required to be
 29 sent by that date under IC 6-1.1-17-1 to the department of local
 30 government finance; ~~or~~

31 (2) *by the deadline under IC 36-2-9-20, the county auditor has*
 32 *not transmitted data as required under that section; or*

33 ~~(2)~~ **(3) the county assessor has not forwarded to the department**
 34 **of local government finance the duplicate copies of all**
 35 **approved exemption applications required to be forwarded by**
 36 **that date under IC 6-1.1-11-8(a).**

37 (f) Except as provided in subsection (i), if the elected township

assessors in the county, the elected township assessors and the county assessor, or the county assessor has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b), the state board or the department shall not distribute under subsection (b) and section 10 of this chapter a part of the money attributable to the county's property reassessment fund. The portion not distributed is the amount that bears the same proportion to the total potential distribution as the number of townships in the county for which data was not transmitted by ~~August 1~~ *October 1* as described in this section bears to the total number of townships in the county.

(g) Money not distributed ~~under subsection (e)~~ *for the reasons stated in subsection (e)(1) and (e)(2)* shall be distributed to the county when:

(1) the county auditor sends to the department of local government finance the certified statement required to be sent under IC 6-1.1-17-1; and

(2) *the county assessor forwards to the department of local government finance the approved exemption applications required to be forwarded under IC 6-1.1-11-8(a);*

with respect to which the failure to send *or forward* resulted in the withholding of the distribution under subsection (e).

(h) Money not distributed under subsection (f) shall be distributed to the county when the elected township assessors in the county, the elected township assessors and the county assessor, or the county assessor transmits to the department of local government finance the data required to be transmitted under IC 6-1.1-4-25(b) with respect to which the failure to transmit resulted in the withholding of the distribution under subsection (f).

(i) The restrictions on distributions under subsections (e) and (f) do not apply if the department of local government finance determines that:

(1) the failure of:

(A) a county auditor to send a certified statement; *or*

(B) *a county assessor to forward copies of all approved exemption applications;*

as described in subsection (e); or
 (2) the failure of an official to transmit data as described in
 subsection (f);
 is justified by unusual circumstances.

SECTION 4. IC 6-1.1-21.9 IS ADDED TO THE INDIANA CODE
 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
 PASSAGE]:

Chapter 21.9. Property Tax Deduction Replacement Credits

Sec. 1. The definitions set forth in IC 6-1.1-21 apply
 throughout this chapter.

Sec. 2. As used in this chapter, "county property tax
 deduction replacement amount" means the sum of a particular
 county's taxpayer property tax deduction replacement credits.

Sec. 3. As used in this chapter, "qualified property tax
 deduction amount" means the value of a property tax deduction
 available under IC 6-1.1-12-44.

Sec. 4. As used in this chapter, "taxpayer's property tax
 deduction replacement credit" means:

- (1) the amount of a particular taxpayer's qualified property
 tax deduction amount; multiplied by
- (2) the total net tax rate applicable in the taxpayer's taxing
 district.

Sec. 5. The department, with the assistance of the auditor of
 state and the department of local government finance, shall
 determine for each county an amount equal to the county
 property tax deduction replacement amount.

Sec. 6. For purposes of calculating tax rates, the county
 auditor shall add the sum of each county taxpayer's qualified
 property tax deduction amounts to the county's net assessed
 value.

Sec. 7. For purposes of calculating a particular taxpayer's tax
 bill, the county treasurer shall add the taxpayer's qualified
 property tax deduction amount to the taxpayer's net assessed
 value.

Sec. 8. Each year the taxpayers of each county shall receive

1 **a credit for property tax deduction replacement in the amount of**
2 **each taxpayer's property tax deduction replacement credit amount**
3 **for taxes that under IC 6-1.1-22-9 are due and payable in May and**
4 **November of that year. The credit shall be applied to each**
5 **installment of taxes. The dollar amount of the credit for each**
6 **taxpayer shall be determined by the county auditor, based on data**
7 **furnished by the department of local government finance."**

8 Page 4, between lines 26 and 27, begin a new paragraph and insert:

9 **"SECTION 6. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-21-3**
10 **and IC 6-1.1-21-4, both as amended by this act, apply only to**
11 **property taxes first due and payable after December 31, 2003.**

12 **(b) IC 6-1.1-21.9, as added by this act, applies only to property**
13 **taxes first due and payable after December 31, 2003."**

14 Renumber all SECTIONS consecutively.

(Reference is to HB 1003 as introduced.)

and when so amended that said bill do pass.

Representative Espich